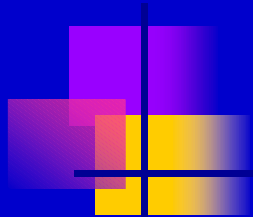




# WELCOME

DEPARTMENT OF LABOR &  
INDUSTRIAL RELATIONS

*DISABILITY COMPENSATION  
DIVISION*



# *TEMPORARY DISABILITY INSURANCE*



# Temporary Disability Insurance

## PURPOSE

**Provide partial wage  
replacement for nonwork-  
related sickness or injury**



# Temporary Disability Insurance

## WHO PROVIDES TDI BENEFIT?

- The employer must provide TDI benefits to the eligible employees
- The State does not pay any TDI benefits



# Temporary Disability Insurance

## HOW DOES AN EMPLOYER PROVIDE TDI COVERAGE?

- Statutory policy from an authorized TDI carrier
- Better-than-statutory policy from an authorized carrier
- Self-Insurance (subject to DCD approval)
- Collective bargaining agreement (subject to DCD approval)



# Temporary Disability Insurance

## ELIGIBILITY REQUIREMENTS

- 14 weeks of covered Hawaii employment in the last 52 weeks prior to disability
- each of the 14 weeks must have at least 20 hours (all employments combined)
- earned at least \$400 in the last 52 weeks
- in current employment
- *totally* disabled and certified by a physician



# Temporary Disability Insurance

## STATUTORY BENEFITS

- 58% of average weekly wage
- Waiting period of 7 consecutive calendar days
- 26 weeks maximum within any benefit year



# Temporary Disability Insurance

## WHO PAYS FOR TDI COVERAGE?

- Employer may pay for the entire cost, or
- Share the cost equally with eligible employees (50% of ER's premium cost but not to exceed 0.5% of weekly wages)





# Temporary Disability Insurance

## 2010 MAXIMUM WEEKLY WAGE BASE AND BENEFIT AMOUNT

- Maximum Weekly Wage Base equals \$901.70
- Maximum Weekly Deduction equals \$4.51
- Maximum Weekly Benefit Amount equals \$523.00



# **Temporary Disability Insurance**

## **HOW TO FILE A CLAIM?**

- 1. Employer provides Claim for Disability (Form TDI-45) immediately**
- 2. Employee completes Part A**
- 3. Physician completes Part C**
- 4. Employer completes Part B and forwards it to TDI carrier for processing within a week**



# **Temporary Disability Insurance**

## **WHEN TO FILE A CLAIM?**

**A claim should be filed within 90 days from the first date of disability. If filed after 26 weeks from date of disability, no benefits are payable.**

# **Temporary Disability Insurance**

## **SOME REASONS FOR THE DENIAL:**

- **Did not meet the eligibility requirements**
- **Were not in current employment**
- **Were not disabled beyond 7 days**
- **Already received 26 weeks of benefits within same benefit year**
- **Received WC benefits for same disability**
- **Was not under the care of a physician**



# Temporary Disability Insurance

## APPEAL PROCESS

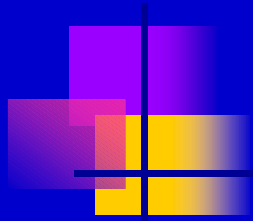
- If claim denied by carrier, employee may appeal the denial to DCD within 20 days from receipt of denial
- Upon receiving appeal, a hearing will be scheduled



# Temporary Disability Insurance

## Subrogation

- Employee was paid TDI benefits for a disability, which was later determined to be a work injury.
- If employee is also entitled to receive workers' compensation (WC) benefits for the same disability, WC carrier must reimburse TDI carrier for TDI benefits already paid out.



# *PREPAID HEALTH CARE*



# **PREPAID HEALTH CARE**

## **PURPOSE**

**Provide health care coverage for eligible employees to protect them against the high cost of medical and hospital care for nonwork-related sickness or injury**





# **PREPAID HEALTH CARE (PHC)**

## **WHO PROVIDES PHC COVERAGE?**

**The employer must provide health care coverage for all the eligible employees in Hawaii**



# PREPAID HEALTH CARE

## HOW DOES AN EMPLOYER SECURE HEALTH CARE COVERAGE?

- Purchase an approved plan (refer to List of Approved Plans)
- Purchase an insured plan of employer's choice (subject to DCD approval)
- Adopt a self-insured plan (subject to DCD approval)



# PREPAID HEALTH CARE

## ELIGIBILITY FOR ENROLLMENT

- Work at least 20 hours a week (same employer)
- Earn 86.67 times the current Hawaii minimum wage a month ( $\$7.25 \times 86.67 = \$628.36$ )
- Coverage commences after 4 consecutive weeks of employment with same employer



# PREPAID HEALTH CARE

## PREMIUM PAYMENT (Single Coverage)

- Employer may elect to pay the entire monthly premium, or
- Withhold 50% of premium cost from employees but not to exceed 1.5% of employees' monthly gross earnings



# PREPAID HEALTH CARE

## PREMIUM PAYMENT (Single only)

- Single monthly premium = \$300
- EE's monthly gross earnings = \$2,000
- Lesser of the following:
  - 50% of premium cost = \$150
  - 1.5% of \$2,000 = \$30
  - EE's share = \$30
- Employer pays the balance
  - ER's share = \$270 (\$300-\$30)



# PREPAID HEALTH CARE

## PREMIUM PAYMENT (Dependents' coverage)

- In most cases, the employees are responsible for any additional premium cost for the dependents' coverage
- Cost sharing is determined by plan type
- Plans are approved as 7(a) or 7(b) plans



# PREPAID HEALTH CARE

## PREMIUM PAYMENT (Dependents' coverage)

- **Plan 7(a): EE pays 100% for dependents' premium (Plan benefits are equal to or better than the prevalent plan)**
- **Plan 7(b): ER contributes 50% towards the dependents' premium cost (Plan benefits may be lesser than prevalent plan's benefits)**



# PREPAID HEALTH CARE

## PREMIUM PAYMENT (Dependents' coverage)

- Monthly premium for family coverage = \$700
- Monthly premium for single coverage = \$300
- EE's monthly gross earnings = \$2,000
- For a 7(a) plan:  $(\$30) + (\$400)$   
EE's share = \$430  $(\$2,000 \times 0.015) + (\$700 - \$300)$   
ER's share = \$270  $(\$700 - \$430)$
- For a 7(b) plan:  $(\$30) + (\$200)$   
EE's share = \$230  $(\$2,000 \times 0.015) + 50\%(\$700 - 300)$   
ER's share = \$470  $(\$700 - \$230)$





# PREPAID HEALTH CARE

## MORE THAN ONE PLAN

- If an employer offers more than one approved plan as indicated on contract, the employer is only liable for the least costly plan. For instance:
- ER offers Plan X with a monthly premium of \$300 (single)
- ER also offers Plan Y with a monthly premium of \$250 (single)
- If EE selects Plan X, EE pays the additional \$50 in premium



# **PREPAID HEALTH CARE**

## **EXEMPTIONS FROM COVERAGE**

- **Employee can elect to be exempt from coverage under employer's health plan if already covered elsewhere**
- **Employee must file Form HC-5 to validate exemption, which is binding through December 31**



# PREPAID HEALTH CARE

## EXEMPTION FROM COVERAGE

- If employee subsequently loses coverage and wishes to be covered under his/her own employer's plan, employee completes a second Form HC-5, requesting coverage from the employer
- Employer provides coverage effective in the month following the month in which the second HC-5 was received by employer



# **PREPAID HEALTH CARE**

## **CONCURRENT EMPLOYMENT**

- **If an employee works concurrently for more than one employer, that employee must designate the principal and secondary employers by filing Form HC-5**
- **Coercion is prohibited**



# PREPAID HEALTH CARE

## CONCURRENT EMPLOYMENT

- **Principal Employer:** Employer who pays the most wages or if one of the employers does not pay the most wages but employs the employee for at least 35 hours, then the employee determines which employer is the principal employer
- **The principal employer so designated must provide health care coverage for the eligible employee**



# **PREPAID HEALTH CARE**

## **CONCURRENT EMPLOYMENT**

- **Employee signs Form HC-5 designating employer as secondary**
- **Secondary employer is relieved of the responsibility to provide coverage for the eligible employee**



# **PREPAID HEALTH CARE**

## **CONTINUATION OF COVERAGE**

- **If an employee is disabled and unable to work, the employer must continue the health coverage for 3 additional months following month of disability**
- **The same arrangement made prior to disability regarding premium payment continues as well**



# **PREPAID HEALTH CARE**

## **CONTINUATION OF COVERAGE**

- **Beyond 3 months – employees may be eligible for COBRA (Consolidated Omnibus Budget Reconciliation Act) administered by the U.S. Department of Labor.**
- **Applies to employers with 20 or more employees**

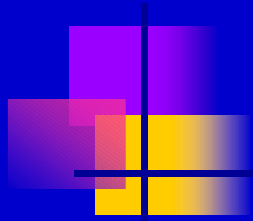




# **PREPAID HEALTH CARE**

## **PREMIUM SUPPLEMENTATION FUND**

- **Employers with less than 8 employees eligible for health care coverage**
- **To qualify, employers must also satisfy the criteria as outlined in Form HC-6(a) or §392-45 of the PHC law**



# *WORKERS' COMPENSATION INSURANCE*



# Workers' Compensation Insurance

- Workers' compensation insurance provides coverage for employees who are injured on the job, except for employees who intentionally injure themselves or who are intoxicated.
- Employer pays for the workers' compensation insurance, not the employee.
- 50% owner of a corporation is exempt. However, the employees must be insured.



# Workers' Compensation Insurance

- Cost of your workers' compensation premiums
- Shop around
- Safe work environment
- Consultation and Training Branch of the Hawaii Occupational Safety & Health Division at 586-9135
- Have employees return to work as soon and safely as possible
- Have good employee-employer relations



# Workers' Compensation Insurance

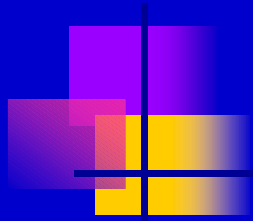
- Department of Labor Number (DOL #)
- Why is it important? Companies have similar names
- AOA ALA WAI PLAZA      000-000-1325
- ALA WAI PLAZA      000-071-1624
- ALII INC      000-110-8875
- THE ALII INC      000-016-8602



# Workers' Compensation Insurance

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- Name, address and entity changes
- Notify the Unemployment Insurance Division, Employer Section 586-8926
- Notify your insurance agent.



# ***WORKERS' COMPENSATION CLAIMS***



# WORKERS' COMPENSATION

## PURPOSE

Provide an employee who suffers an industrial injury or illness with:

- Medical care
- Wage loss replacement (TTD) or (TPD)  
66 2/3% of employees Average Weekly Wages up to a yearly specified maximum
- Permanent disability benefits
- Death benefits for dependants





# EMPLOYER'S RESPONSIBILITY

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Have an active workers' compensation insurance policy and know who to contact in the event an injury is reported.

# IF AN EMPLOYEE REPORTS AN INJURY, WHAT SHOULD I DO?

- Contact your workers' compensation insurance carrier / adjuster
- Ensure WC-1 is filed within 7 days (discuss with insurance carrier/ adjuster)
- Know your employer Department Of Labor number (DOL#)
- Even if you have no knowledge of the injury still complete WC-1 and/or contact your insurance carrier/ adjuster. Enter "unknown" if unable to answer questions (remember the possible penalty)



# IMPORTANT WORKERS' COMPENSATION FORMS:

- Form **WC-1** Employer's Report of Industrial Injury
- Form **WC-5** Employee's Claim for Workers' Compensation Benefits
- Form **WC-14** Employee's Wage Report for 52 weeks Prior to Date of Injury



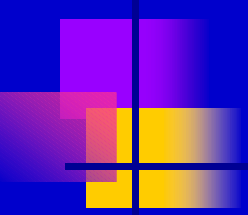
# EMPLOYER'S REPORT OF INDUSTRIAL INJURY (WC-1)

- Must be filed when an employee reports a work injury or illness
- Must be filed within 7 working days of knowledge of injury  
educate your supervisors, managers, foreman, any one with authority of what should be done if work injury reported to them.
- Original and one copy to DCD (discuss w/insurance carrier/ adjustor)
- Penalty of up to \$5,000 for willful refusal or neglect to file the report.



# EMPLOYER'S REPORT OF INDUSTRIAL INJURY (continued)

- Form WC-1 revised 11/01
- Can be used to satisfy WC & new OSHA filing requirement of OSHA 301
- If accident results in death, report in person or by phone within 48 hours to DCD
- Fill out form completely, avoid entering information in shaded areas.



# EMPLOYEES' CLAIM FOR WORKERS' COMPENSATION BENEFITS (WC-5)

- Filed by your employee in cases in which a WC-1 is not filed
- Upon receipt of WC-5, DCD will notify you to file a WC-1. You need to do so immediately (discuss with insurance carrier/ adjustor)
- Report any concerns that you have to your insurance carrier / adjuster



# EMPLOYEE'S WAGE REPORT FOR FIFTY-TWO WEEKS PRIOR TO DATE OF INJURY (WC-14)

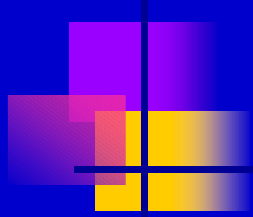
- Form WC-14 is used to calculate Average Weekly Wages (AWW).
- $AWW \times 66 \frac{2}{3}\% = \text{Comp Rate for wage loss replacement or TTD (up to a yearly specified maximum)}$ 
  - Liable Claims
  - Concurrent Benefits



# CONCURRENT BENEFITS

- Benefits to employees when work injury or illness prevents them from working additional employment (second job)
- Benefits are paid from the Special Compensation Fund
- WC-14 required from ALL employers to determine eligibility





# *ENFORCEMENT BRANCH* *(COMPLIANCE)*



# ENFORCEMENT BRANCH

- COMPLIANCE FOR WC,TDI AND PHC LAW(S).
- FOR ALL HAWAII EMPLOYERS, WC,TDI AND PHC INSURANCE(S) IS/ARE UNDERWRITTEN BY PRIVATE INSURANCE CARRIERS.
- THERE IS NO STATE-FUNDED WC, TDI AND PHC INSURANCE CARRIERS.



# WORKERS' COMPENSATION

- STATE OF HAWAII IS AN "AGENT" STATE. THIS MEANS EMPLOYERS MUST USE AN INSURANCE AGENT IN ORDER TO GET A WC POLICY.
- WATCH YOUR EFFECTIVE DATE. THIS DATE OBLIGATES YOUR WC CARRIER TO THE EXPIRATION DATE OF YOUR WC POLICY.



# WORKERS' COMPENSATION EMPLOYER'S LIABILITY

- PENALTIES- WITHOUT WC INSURANCE YOUR COMPANY IS SUBJECT TO \$10.00 EACH DAY FOR EACH EMPLOYEE WITHOUT WC COVERAGE.
- LIABILITY-WITHOUT WC INSURANCE, YOUR COMPANY IS FINANCIALLY RESPONSIBLE FOR THE INJURED EMPLOYEE'S MEDICAL EXPENSES AND INDEMNITY BENEFITS.



# TEMPORARY DISABILITY INS. EMPLOYER'S LIABILITY

- PENALTIES-WITHOUT TDI INSURANCE, YOUR COMPANY IS SUBJECT TO \$1.00 EACH DAY FOR EACH EMPLOYEE WITHOUT TDI COVERAGE. AND
- LIABILITY-WITHOUT TDI INSURANCE, YOUR COMPANY IS FINANCIALLY RESPONSIBLE FOR THE DISABLED EMPLOYEE'S DISABILITY BENEFITS.



# PREPAID HEALTH CARE EMPLOYER'S LIABILITY

- PENALTIES-WITHOUT AN APPROVED PHC PLAN (REFER TO THE APPROVED HEALTH CARE PLAN LISTING), YOUR COMPANY IS SUBJECT TO \$1.00 EACH DAY FOR EACH ELIGIBLE EMPLOYEE WITHOUT PHC COVERAGE.



# PREPAID HEALTH CARE EMPLOYER'S LIABILITY II

- LIABILITY-WITHOUT APPROVED PHC PLAN OR NOT ENROLLING YOUR EMPLOYEE WHEN THE ELIGIBILITY REQUIREMENTS ARE MET, YOUR COMPANY IS FINANCIALLY RESPONSIBLE FOR ALL MEDICAL EXPENSES INCURRED BY YOUR ELIGIBLE EMPLOYEES.



# WHO DO I CALL????

- THERE ARE MANY DETAILS OR SITUATIONS WHICH CANNOT BE ANSWERED PRESENTLY. BUT THE ENFORCEMENT BRANCH MAINTAINS A PHONE NUMBER DURING WORKING HOURS. CALL:

586-9200





# THANK YOU FOR COMING

- For future inquiries, you may call:

TDI and PHC: 586-9188

WC Insurance: 586-9166

WC Claims: 586-9174 or 586-9161

Enforcement: 586-9200

Our web address: [www.hawaii.gov/labor/dcd](http://www.hawaii.gov/labor/dcd) and click on **Find a Law** for statutes and administrative rules, and on **Guidelines** for lists of approved plans, authorized carriers, etc.

- Please complete the Evaluation Form before you leave.